

Company Registration No: 03755216

Charity No: 1075653

# **THE EAST LANCASHIRE HOSPICE**

**(A registered charity and company limited by guarantee)**

**Annual Report of the Trustees  
and Financial Statements**

**For The Year Ended  
31 March 2022**

# THE EAST LANCASHIRE HOSPICE

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# THE EAST LANCASHIRE HOSPICE

## REFERENCE AND ADMINISTRATIVE INFORMATION

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### Trustees

Mr F G Parr (Chairman)  
Mr T Kennedy (Vice Chairman)  
Mrs A R Pallister (Secretary)  
Mr R J Sutcliffe  
Councillor Y Jan Virmani  
Mrs G M Leacy  
Mr I M Willock  
Mr D McDonough

### *Key Management Personnel (at 31 March 2022):*

Chief Executive Officer	Mrs L Stevenson
Medical Director	Dr K Hogarth
Clinical Services Lead	Mrs C Evans
Fundraising & Lottery Lead	Mrs S Plunkett

Company Number	3755216
Registered charity number	1075653
Tax exemption number	XR 32869
Registered office	The East Lancashire Hospice Park Lee Road Blackburn BB2 3NY

Tel: 01254 287000  
Fax: 01254 665000

[www.eastlancshospice.org.uk](http://www.eastlancshospice.org.uk)

### Auditor

MHA Moore and Smalley  
Chartered Accountants &  
Statutory Auditor  
Richard House  
Winckley Square  
Preston  
PR1 3HP

# **THE EAST LANCASHIRE HOSPICE**

## **TRUSTEES' ANNUAL REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

#### **Structure, Governance and Management**

##### **Governing Document**

The charity is a charitable company limited by guarantee and not having a share capital is exempt from the requirement to use the word 'limited' as part of its name. It is governed by a memorandum and articles of association and was incorporated on 20 April 1999 to take over, from 1 July 1999, the activities of The East Lancashire Hospice Fund, an unincorporated association which was originally founded in 1981.

The charity was entered in the Central Register of Charities with effect from 24 May 1999 and accepted by HM Revenue & Customs as a charity for tax purposes.

##### **Recruitment and Appointment of Trustees**

The Board of East Lancashire Hospice is made up of 8 trustees who are all registered volunteers. Recruitment is undertaken via a formal, inclusive process and positions are advertised in a targeted way in order to reach a specialist audience to maximise the securing of appropriate skills and diversity mix.

Potential candidates are invited to apply by a CV, and a formal process takes place including interview with a panel of Trustees. Trustees are appointed for a period of three years and may be re-elected after this period for a further three.

Trustee induction consists of an induction pack, this incorporates key information on the charity, and the responsibilities of being a Trustee. The induction process provides opportunities to meet staff and Heads of Service in order to gain a greater understanding of the hospice. Trustees are also supported to attend appropriate external training events that will assist them with their role. They also undertake organisational mandatory training as appropriate to their role.

##### **Organisational**

We continued to be affected by the Covid-19 pandemic both within our community and inpatient settings, bringing difficulties and challenges and at times sadness for far too many. We had already changed our ways of working and living and continued to do so throughout the year. We know that as we slowly return to "normal" there will be changes and consequences we are yet to fully realise – but we are positive about that.

Whilst we have felt that everything around us has changed some things have remained constant. East Lancashire Hospice has continued to provide vital care and support to people living with a terminal illness and bereavement in Blackburn, Darwen, Hyndburn and the Ribble Valley. We have continued to do this 365 days a year over 24hrs 7 days a week as we have always done.

However it has changed as the communities we serve are constantly facing new and different demands due to the pandemic, sometimes on a daily basis. In this context we have looked at ourselves as an organisation to ensure we have been flexible and adaptable to enable us to meet these different demands.

Our priority has been to keep as many services open and accessible as possible for those people who need us, as well as developing new service models according to the needs of the communities we serve whilst supporting our NHS colleagues.

Such vision and rapid delivery of new and changed services has taken bravery, decisiveness and real commitment by all our staff and we would want to publicly acknowledge and applaud all our staff who continue to give to make things happen.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Organisational (continued)**

We have had to adopt new methods to ensure we continue to have a robust framework for governance which has meant that the majority of the governance arrangements have taken place by Zoom, but in essence their terms of reference and purpose have remained the same with the addition of the added demands, responsibilities and challenges that the pandemic brought us.

The Board of Trustees have continued to meet on a monthly basis to direct and manage the governance of the hospice. The Trustees have ultimate responsibility for setting the strategic direction of the hospice and their role is to ensure that the hospice is financially viable, well run and that it meets the needs for which it was set up. A CEO is appointed by the board to operationally manage the hospice supported by a Senior Leadership Team with predetermined levels of authority. Matters such as policy, strategy and budgets are prepared for consideration and approval by the trustees who monitor the implementation of these plans.

Departmental Leads are responsible to the appropriate Heads of Service, who are responsible to the CEO who is in turn responsible to the Board of Trustees.

We continued to have four governance committees covering all aspects of the organisation although risk and clinical combined over the past year to more effectively deal with the challenges of the pandemic:

- Clinical Governance Committee
- Finance Governance Committee
- Risk Governance Committee
- Corporate Governance Committee

Each committee worked to its original terms of reference each taking on the additional governance responsibilities associated with the pandemic. The membership consists of elected members of the Board of Trustees, Senior Leadership Team, and Heads of Service who have been selected for their particular skills, experience and knowledge. Committees meet at least once per quarter and report into the Corporate Governance Committee which in turn reports into the main board meeting on a quarterly basis.

The Senior Leadership Team, Head of Finance and Head of Quality and Governance present quarterly comprehensive written reports to the Board of Trustees. The report covers key risk issues which are inclusive of all aspects of governance providing both qualitative and quantitative data. To support the management and Governance during the pandemic additional briefing/ situational reports have been presented to the Board of Trustees on a monthly basis.

To support our governance arrangements during the pandemic we worked with our partner organisations across East Lancashire having daily situational update meetings.

We meet quarterly with our Clinical Commissioning Group where the content of the Board report forms the basis of discussion and review.

**Related Parties and Cooperation with Other Organisations**

One of the positive learnings we have taken forward from the pandemic this year is the importance of working with others. The hospice has continued to work to maintain strong relationships and partnerships with local organisations and our local community and it is these key partnerships and relationships that have helped us to meet the many challenges we have faced throughout the pandemic. We believe that the hospice belongs to our community and that we exist in order to be able to provide a service which really makes a difference to the quality of the lives of patients and their families which has been even more important during this past year as many of our patients have faced isolation along with disruption to their normal support and care systems.

Throughout the last year we have worked on a daily basis with local key providers both in hospital and the community the aim being to keep palliative and end of life patients at home and out of hospital, often changing our services at short notice to meet with the constant changes in demand. Working collectively to improve what we could offer ensuring patients and their families were at the centre of what we did.

Key members of staff continued to be involved in local, regional and national network groups, which supported the sharing of best practice, bench marking and mutual support in last year's ever-changing landscape.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Related Parties and Cooperation with Other Organisations (continued)**

We continue to have integrated working arrangements which has helped and supported patients and their families by enabling them to receive the right care at the right time and in the right place.

**Pay Policy for Staff**

All Trustees give their time freely and Trustees received no remuneration in the year and nor have they received any payment for expenses throughout the year.

The Trustees consider the Senior Leadership Team to be the key management personnel of the charity, in charge of directing, controlling, running and operating the charity on a day-to-day basis.

All employed staff are remunerated according to the responsibilities of their job description. Job descriptions are reviewed on an annual basis as part of the Personal Development Review (PDR) process.

Benchmarks are used nationally, regionally and locally.

All staff including the CEO and Senior Leadership Team receive the same annual cost of living pay increases and other benefits of employment that are agreed annually by the Board of Trustees.

**Public Benefit Statement**

The Trustees have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission. The Trustees believe that the charity provides a public benefit as its principal activity is to enhance the quality of life for individuals with a life limiting illness. The aim being to provide specialist, supportive and end of life palliative care to any adult in the communities we serve, without discrimination, in the place of their choice, and to offer support to them, their relatives, carers and friends. This is provided in various settings including, in the hospice (Inpatients, Specialist and Supportive outpatients and a huge variety of support and wellbeing services) In patients own homes (Specialist Clinical Nurses and Hospice at Home). We also provide specialist, generalist and end of life palliative care education within the organisation and to the wider community. Over the past year these activities and services have been adapted to ensure they are delivered in a Covid safe environment working to national and local guidelines.

**Our Staff and Volunteers**

The hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure that anyone connected to us, from patients and families through to donors, supporters, volunteers and staff are treated fairly, appropriately and with dignity and respect. From our day-to-day operational management to our strategic decision-making, we consider how we work may affect different groups and actively eliminate or reduce negative impact and discrimination.

All our staff from all departments of the organisation have had to work flexibly and creatively adapting to new and different ways of working and in some cases taking on new roles and responsibilities as we strove to ensure everyone received the care they needed. Every single one of our staff played a vital role in helping patients, families and each other throughout this year.

Throughout the pandemic we have been fortunate and extremely grateful to continue to be supported by a small team of highly dedicated, hardworking and skilled volunteers. Over the year we have welcomed more volunteers back as well as welcoming new faces. One thing we are sure of is that they have been greatly missed by everyone in supporting our staff and patients in the many areas of the hospice they truly are amazing people.

We continue to be proactive in gaining feedback from our staff and volunteers and we completed a staff survey pre Covid-19 which will be regularly repeated. We also ask our external stakeholders for their views as we constantly strive to engage with as wide a range of people as possible in all aspects of the hospice, to enable us to develop in a way which builds our organisation's learning, understanding, trust and responsiveness.

We are now preparing to introduce a mechanism for regular staff feedback that will enable us to understand how staff are feeling about their work, their support and environment and further develop the culture of engagement and collaboration that makes such a difference to our team and ultimately the services we provide.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Objectives and Activities**

The principal objectives of the charity as set out in the Memorandum and Articles of Association are to provide specialist, supportive and end of life care for adults who are suffering from a life limiting illness to the communities we serve in Blackburn, Darwen, Hyndburn and the Ribble Valley.

We also aim to collaborate and form partnerships with other providers of palliative care, different faith groups, cultural communities as well as diverse organisations that support patients and their families living with a life limiting illness and make our specialist resources available to them.

Quality of care for patients and their families is at the heart of what we do at East Lancashire Hospice and our charitable activities are focused on offering free care and support to patients and their families from the moment they are informed that their illness is incurable regardless of diagnosis. Referrals are accepted from a variety of health care professionals and patients can self-refer too many of our services with places allocated according to need.

The activities supporting these objectives are -

- A ten-bedded Inpatient Unit where specialist palliative care is delivered by a multi-disciplinary team
- A community team, which consists of Clinical Nurse Specialists who work with General Practitioners and other Health Care Professionals, and a Hospice at Home team who support the provision of palliative and end of life care in people's own homes.
- Support and Wellbeing Services consisting of
  - Creative and Supportive Therapy
  - Counselling
  - Family Support
  - Complementary Therapies
  - Physiotherapy
  - Outpatients

Our services help support people with a life limiting illness from the first days of uncertainty through to the last days of life, death and bereavement.

These services are offered irrespective of background or belief and we are committed to offer care based on need not diagnosis. We recognise the increasing need for high quality palliative care for people living with multiple conditions not just a single diagnosis such as cancer.

We have a multi-disciplinary team covering all aspects of the work we do. Our philosophy of care is that we care for the whole person, and their family friends and carers. The wishes of each patient and their family are carefully assessed with relevant members of the multidisciplinary team so that they can be supported in the way they want, be it physically, socially, emotionally, psychologically and /or spiritually. We respect each patient's priorities and strive to enable them to achieve their personal goals.

Our clinical teams are supported by a range of support services including facilities, domestic, catering, administration, finance and volunteers all play a key role in ensuring that patients and their families have the best possible care.

The Care Quality Commission has a record of our activities and monitors us through information supplied directly to them in the statutory notifications we make, in writing about events and changes to service.

The Care Quality Commission (CQC) inspects the hospice and their report is posted on the commissions' website and can be accessed via a link on our website. There is a programme of planned reviews, which take place on unannounced visits. On our last inspection we were classed as Outstanding in Caring, Effective and Responsive and received an overall rating of Outstanding for the organisation.

The CQC also had to adapt its methodology during Covid-19 and we now have regular monitoring calls with them to satisfy them with our compliance, quality and safety.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Objectives and Activities (continued)**

We have a comprehensive annual audit programme, to ensure compliance with legislation and best practice covering all aspects of the organisation including clinical and non-clinical activities. These are implemented and monitored through our Governance structure to provide the Trustees with assurances that we are compliant with our legal and statutory obligations.

The hospice continues to play a part in the wider healthcare agenda through Palliative Care Locality Groups within East Lancashire and through the wider Network groups within Lancashire and South Cumbria. Together with other hospices in the region we are a part of Lancashire and South Cumbria Hospices Together Partnership (LSCHT) which is another way of making sure hospice end of life and palliative care voices are heard.

**Strategic report**

***Achievements and Performance***

- We are proud to continue to have a CQC rating of outstanding and despite this reassuring result we continue to review and act upon feedback as well as reviewing the effectiveness and efficiencies of what we do.
- Despite the many challenges that the pandemic has brought to us we have continued to operate our services to the people of Blackburn, Darwen, Hyndburn and the Ribble Valley. In order to achieve this we have had to in many ways adjust the way we work and deliver our services throughout the organisation, however one thing that has remained unchanged is that we have continued to care and support people living with a terminal illness. We did this by looking into ourselves as people and as an organisation to ensure that we were able to do what we do best give excellent care and support to those who need us at the right time, in the right place, by the right people.
- The Covid-19 pandemic has brought about very many new ways of working, collaborations with key partners and very thought-provoking decisions about the way we engage and deliver services. There is much to be said for the creativity and responsiveness that has unfolded within our teams in very difficult times.
- We continue to have an honest and open relationship with our 2 local CCGs (although the structure is changing in 2022) with a joint desire to enable everyone to access good end of life care provision.
- We have worked closely with them to ensure future services are designed to meet the needs of the local population.
- During the last year we implemented plans for a single point of access to enable responsive support for those in our community working collaboratively with lead commissioners, partner agencies including Marie Curie, domiciliary agencies, district nursing services and the continuing health care team. We have been instrumental in maximising the use of all available night support capacity and strengthening the quality of information shared with key partners for the benefit of those in our care. The coordination and administrative work that underpins this success cannot be underestimated and is testament to the creativity and commitment of all involved. As this project is a pilot evaluation is ongoing and commissioning intentions are to be confirmed.
- We continued to work with our Pandemic Plan which was designed to support the hospice through the changes we envisaged we would face in delivering services and ensuring our sustainability. It primarily focused on risk management and how we would protect patients, staff and volunteers to provide safe services in the wake of the pandemic.



**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Achievements and Performance (continued)***

- The impact of the pandemic has been extensive and prolonged with the significant challenge of unplanned Covid related absence that has truly evidenced the commitment and responsiveness of our hospice staff in maintaining service provision. The need for a focus on staff support and wellbeing has become increasingly evident with the easing of restrictions and plans for a return to a "new normal" very much welcomed. No-one however underestimates the challenge we face in achieving this.
- Whilst the focus during this time was adapting services to meet changing demands, we also considered our future financial sustainability, the scale of the challenge and consideration of the future. We re-assessed our fundraising strategy adapting and changing the ways we generated income making a new survival plan for the year whilst acknowledging the future changes needed as the pandemic continues to an effect within the public arena and the way we live and work.
- The hospice continues to play a role in the wider healthcare agenda through Palliative Care locality groups in the Lancashire and Cumbria Clinical Commissioning Group areas engaging with local commissioners around the sustainability and transformation plan. As mentioned the hospice became part of the LSCHT collaborative to the regions sectors voice and the impact we all make.
- Restrictions eased during the latter part of the year and engagement with commissioners and key stakeholders focused on preparation for the easing of restrictions and restoration planning. We started the progression toward a return to 'normal' while learning from all aspects of our experience during the pandemic and the opportunities and challenges that came with it. The pathway out of the pandemic has perhaps been more challenging than entering into it; as responsibility changing from government set directives and legal requirements to individual and social responsibility has at times been both daunting and confusing for all concerned.
- We continued with our premises modernisation programme although if somewhat at a slower pace which has enhanced the environment and facilities for patient's, relatives, staff and volunteers.
- Work in the gardens and grounds has been intensified with the return of volunteers. Improvement work in reception was completed in readiness for the reopening of the space and the return of our many valued volunteers.
- Mindful of the privacy and dignity of our patients and following extensive refurbishment of our Café Retreat, we decided to erect some retractable screens to create privacy as patients head to our In Patient Unit. There has been a slight delay in their installation because of Covid-19.
- Our teams throughout hospice services have demonstrated increasing flexibility this year as we have continued to adapt to the changing needs and preferences of the patients and families who use our services; as restrictions have eased the level of anxiety amongst some of our service users has increased meaning contacts have been tailored to the very individual needs we are seeing amongst people on our caseloads.
- We continued to support our NHS colleagues stepping up our services to support caring for patients in the community to support unavoidable admissions to hospitals. We also provided thorough support with in-reach assessment to facilitate timely transfer from the acute hospital setting to hospice care.
- Responsive Intervention has supported hospital discharge for those patients awaiting packages of care facilitated by Hospice at Home in order to free up hospital beds sooner where this has been appropriate.
- We have continued to meet patient need through continuous review of both demand on services and staff capacity so that responsive support is available 24 hours a day and 7 days a week. This has meant flexibility as circumstances changed to deliver out-reach from Inpatient Unit into community as well as the deployment of staff to the Inpatient Unit.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Achievements and Performance (continued)***

- Excellent management of infection control was noted and commended by local authority Infection Prevention & Control (IPC) team on a review visit. The value of the introduction of PPE lead was evident as the pandemic progressed; the lead provided consistency across the hospice and in engaging with external partners on IPC lead issues/supplies.
- The year has been very challenging for IPU staff who had to deal with a change of approach to visiting arrangements after being used to 24/7 access. This proved to be a continuous challenge even after restrictions eased and autonomy of practitioners and individual assessment of patient need was emphasised. There was a fear of getting it wrong or doing different things for different people. However, the IPU remained accessible all year round and patients were able to receive visitors as well as being supported to "see" them digitally.
- Staff working at the hospice throughout the pandemic and those returning predominantly reported feeling very safe here due to the measures in place although returners found it a very different environment compared to the one they left. There has been a great commitment by all concerned to ensure the hospice returned to the bustling community it was pre-Covid.
- Early introduction (at the start of pandemic) of a telephone absence line and maintenance of this during the last year has enabled 24/7 reporting, early support for staff and timely external reporting and guidance to ensure timely advice and thus limit the spread of infection.
- In keeping with increased demand for night support, rosters and work allocation systems were reviewed to enable responsive intervention for those most in need in our communities and Inpatient Unit.
- We continued to develop new models of staff engagement and support at all levels throughout the organisation to support the changes and challenges this brought to staff and their families.
- Some of the different methods of staff support have included virtual meetings and, over time when it has been safe to do so, more face to face meetings. Flexibility has been available from direct line managers in recognition of personal and professional challenges faced by staff and their families. Access to hospice funded healthcare, health and wellbeing activities and helplines have been promoted. Those unfortunate to have experienced Covid-19 themselves have been directly supported by line managers and contact maintained during their absence.
- Introduction during the pandemic of 'Covid and a Cuppa' as a means of virtual support/sharing and learning for anyone working in care/health affected in any way by Covid-19. This activity was led by our Counsellors.
- Engaged with staff via a survey to build an understanding of the effect that the pandemic had. The survey was completed and a working group was established to review findings, though the effectiveness of the group was affected by attendance/availability because of Covid-19. Headlines were shared; however the impact of Covid-19 became increasingly more apparent and the survey will be relaunched during 2022. The key themes are discussed during 1:1s and the more conversational approach to PDRs introduced this year.
- Introduction of 'Click and Connect' as a virtual forum facilitated by representatives from each department as a support mechanism for Volunteers. This proved very popular with some volunteers.
- Heads of Service led contact with their own volunteers during pandemic and planned the gradual reintroduction back into services – some sooner than others but the whole process was collaborative and personalised.
- Feedback was sought from patients accessing Support and Wellbeing to inform plans prior to restrictions being eased (and during that time) to gain awareness of their needs and preferences, hopes and fears. Programmes/events and activities were then planned around feedback where feasible.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Achievements and Performance (continued)***

- We sought feedback from staff groups to gain their views of how, despite the pandemic, we had still made progress towards our strategic plans perhaps in very different/creative ways. The good response we received meant we could compile a summary report for year end and boost staff as they were able to see their achievements.
- The intensity of one to one and small group support provided throughout the year despite lockdown and restrictions in place was provided by line managers plus additional peer support. This was positively received by staff and volunteers.
- Reviewed our Income Generation strategy redesigning our retail and community fundraising services, focussing on marketing and social media and innovating how we asked our community for support by focussing more on the impact of our services.

***Reserves Policy and Going Concern***

The Board of Trustees review the reserves policy of the charity annually. Finance Governance Committee monitors and reviews reserves reporting to board on a quarterly basis.

Reserves and investment reviews encompass all income and expenditure streams, the need to match variable income with fixed commitments and longer-term plans for a sustainable future. When deficits occur, we rely on our reserves to enable us to continue to provide hospice services for our patients and their families.

The prudent approach, taken by the Board of Trustees, takes into consideration the current potential unstable position, in that grants received may significantly drop and offer no security in terms of long-term financial planning. The general policy remains one of a cautious approach in the event of a drop in CCG grant funding and/or voluntary income.

Developments are planned for the upcoming years and include the following:

- Review of community services to meet the changing needs of patients
- Improving the garden and outdoor space for patients and their families
- Replacements to patient equipment and enhancements to patients facilities
- Continue to invest in educating our staff and volunteers to ensure we are fit for purpose
- Continue to upgrade the hospice environment for patients and their relatives, carers and visitors.

Investments are being closely monitored by our investment managers, the Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios and the hospice has a dedicated points of contact for any questions.

In the event of the Investment Manager's insolvency, assets would remain in trust with the nominee company and would not be impacted by the insolvency.

The primary objective of the investment policy is to provide financial security and stability for the hospice. The investment approach also recognises that the hospice is exposed to the risk of a sharp fall in its income due to the variability of legacy income and donations and the uncertainty of future funds from the government. To reflect this position the hospice continues to invest in a varied portfolio.

In 2021/22 the hospice continued to ensure sufficient available funds were available to deliver a quality service focussed on sustainability. The hospice remains in a healthy position financially, our reserves provide a buffer for uninterrupted services whilst ensuring the hospice remains a going concern. The hospice reserves policy is that it should maintain a minimum of 24 months running costs.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Reserves Policy and Going Concern (continued)***

Total reserves as at 31 March 2022 were £16,213,283, of which £16,211,710 is unrestricted funds and £1,573 is restricted funds. After the deduction from total funds of restricted funds, designated funds and tangible fixed assets the total reserves are £14,600,596. This reserves value currently represents no more than 42 months of budgeted expenditure, which meets the reserves policy. Any unrestricted general funds, surplus to the minimum reserves policy, will be used to safeguard future financial sustainability and to finance short and long term development plans, some of which will require significant levels of funding.

Reserves and investments are reviewed each quarter in light of the major challenges facing the organisation in terms of rising costs, patient expectations, and the challenges that we faced as a consequence of the pandemic.

Ensuring compliance with information governance and data protection remains high on our agenda and is incorporated into our 2020-2023 strategic objectives action plan.

An organisational risk register is monitored by the Governance framework.

***Investment Policy***

The Memorandum and Articles of Association of the East Lancashire Hospice hold no restrictions relating to investments.

The investments portfolio is monitored and managed on behalf of the Board of Trustees by the Finance Governance Committee which reports quarterly to the board. All investment proposals and movements are reported to the Board of Trustees for their approval, in order that the Trustees can discharge their responsibilities in accordance with Section 4 of the Trustee Act 2000.

The hospice aims to generate growth and maximise returns within the parameters of the risk profile. A combination of investments considered to be low risk (up to 80%) and medium risk (up to 20%).

The Trustees also employ the services of 2 Investment Management companies to manage the day to day operations of the investment funds, both of which are under a Discretionary Client Agreement. The Investment Managers have full discretion to operate within the limits of a strategy agreed with and regularly reviewed by the Board of Trustees.

CCLA Investment Management Limited was appointed in 2015/16 and holding discretionary management of 20% of the overall investment portfolio within a medium risk profile (this 20% being the Ethical Funds held with CCLA). Their purpose is to help clients maximise their impact on society by harnessing the power of investment markets. They concentrate on working with charities, religious and public sector organisations (CCLA stands for Churches, Charities and Local Authorities). Investments held with CCLA performed extremely well throughout 2021/22 considering the turbulence the stock markets experienced in March 2022. The CCLA investment portfolio decreased in value in March following the global financial impact of the war in Ukraine, the impact on supply chains of continuing lockdowns in China and the high levels of inflation. Since then markets have seen a continued decline due to the continuing pressures and the capital values are down by approximately 10% for quarter one in 2022/23.

Close Brothers, also appointed in 2015/16 and holding discretionary management of 20% of the overall investment portfolio, operate within a medium risk profile. Investments performed extremely well through the period from April 2021 to the end of the calendar year but markets encountered severe turbulence in the first quarter of 2022. Returns for the year as a whole remained positive. Investment markets have remained challenging through the first half of 2022 following the global financial impact of the war in Ukraine.

Investments are being closely monitored by our investment managers, the Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios and the hospice has a dedicated points of contact for any questions.

In the event of the Investment Manager's insolvency, assets would remain in trust with the nominee company and would not be impacted by the insolvency.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Investment Policy (continued)***

The primary objective of the investment policy is to provide financial security and stability for the hospice. The investment approach also recognises that the hospice is exposed to the risk of a sharp fall in its income due to the variability of legacy income and donations and the uncertainty of funds from the NHS (Government). To reflect this position the hospice continues to invest in a varied portfolio.

***Financial review***

This is our 37<sup>th</sup> year operating as East Lancashire Hospice and is our 14<sup>th</sup> year of being an independent charity. Overall the hospice and shops income is down this year, generating a net surplus of £207,962 (2020/21: surplus of £611,442). Including unrealised gains on investments the total net income for the year is £1,084,608 (2020/21: total net income was £2,445,246). This was mainly due to investment gains being valued at £1,833,804 on 31<sup>st</sup> March 2021, compared to £876,646 investment gains as at 31<sup>st</sup> March 2022. Total income, excluding unrealised gains on investments, has decreased overall this year by £234,788. This is mainly due to claiming funds last year from NHS England and the government furlough funding in 2020/21; had we not received some additional funding from the government this year the 2021/22 year-end would have resulted in a deficit before investment gains.

We are most grateful to all those that donate to the hospice and those who wish East Lancashire Hospice to benefit from their life savings by leaving a legacy to us in their will. The hospice highly depends on the goodwill of local communities to ensure sufficient funding is available for patient services to operate. In addition to our public donors and corporate supporters, hospice staff and volunteers frequently offer their time, treasure and talents to help plan and organise fundraising events and to promote hospice services.

**Voluntary Income**

Voluntary income remains under threat due to the potential of another recession as well as the increasing number of charities, both local and national, all competing for the same 'donor pound'. Our 2020-23 strategy is focused on our own income generation activities, in addition to supporting our local communities and putting our patients at the centre of all that we do.

Donations are down by £8.7K and the £301,205 includes £86K of donations representing the proceeds from the sale of donated goods within the Trading company on which Gift Aid has been claimed (in 2020/21: the £309,886 included £12K and in 2019/20 it was £101K). Legacy income is on par with budget this year.

**Grant Funding**

Clinical Commissioning Group (CCG) funding normally equates to approximately 1/3rd of overall running costs, so the hospice needs to raise over £2 million to break even. The Trustees are very grateful for the support currently provided by the 2 CCGs and they recognise the excellent working relationship that exists between the organisations. Future grant funding in the longer-term still remains uncertain, which is partly the reason why we are holding onto reserves, as well as holding investments aiming to generate additional income for future years.

**Investments note**

Investments income is slightly higher this year, only by £202 (£64,182 in 2021/22 compared to £63,980 in 2020/21). Overall, gains on investments have significantly decreased. Gains on investments are valued at £876,646 (2020/21: gains on investments were valued at £1,833,804).

**Income Generation**

To enable us to continue to provide our excellent specialist, supportive and end of life care our income generation team have had to work especially hard this year to deal with the enormous challenges that the pandemic brought with it in terms of working with our communities to generate the income we needed.

Last year income from fundraising was significantly down due to the cancellation of events and drop in community and corporate fundraising, therefore it is pleasing to report that following the lifting of the majority of the restrictions, fundraising income has increased in 2021/22 from £314K last year to £391K this year. This however does not represent a 'normal' year, as prior to the Covid-19 pandemic fundraising income was £572K therefore over £180K down when compared to a pre-pandemic year.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Financial review (continued)***

The Income Generation Team quickly adapted to face these challenges head on showing a commitment and determination to generate the income that was needed to make sure our patients received the care they needed.

We have continued to engage with our supporters both through our printed newsletters and on social media providing the opportunity for face to face engagement when it has been safe and digital engagement. Likewise, we have seen our customers slowly returning to our shops and we have worked hard to make sure our on line shopping experience is as good as it can be. We know how important it is to reach people within their own homes and to provide channels for their support.

We were pleased to support one of our youngest fundraisers "Young Frank Waddington" as he raised over £625 for the hospice as a thank you for the care his grandfather received here. Young Frank took donations in return for meals at his local pub.

We also ran a campaign which had a patient story at its heart to explain the difference our care makes not only for the patient but for close family and carers. The campaign was called "The Covid Pandemic Impact Appeal" and also highlighted a new approach for us to fundraising and story-telling.

Our new restaurant, Café Retreat, (that had only just opened to the public), had to close its doors when Covid-19 hit but used this time to set up a successful external catering service and developed innovative services including "Click and Collect Fish Friday" and many others. Ensuring a high social media presence throughout has been paramount to keeping it in the forefront of our customers' minds.

Staff were welcomed back to Café Retreat part way through the year but our service to the Inpatient Unit was continuous throughout the year.

With all our shops having to close during the pandemic the Board of Trustees made a decision to redesign our retail services. This has been a huge change that has been necessary to ensure that retail remains a profitable source of income for the hospice. Our traditional hospice shop remains a thriving part of the community in Darwen supported by a warehouse operation which has evolved over the year to sell furniture and other ranges. Our boutique style offering under the Daisy's brand continues to do well.

Our Ecommerce service has expanded and this has been the biggest area of growth in retail for the whole sector during the lockdown period and has changed the consumers shopping habits.

Being adaptable and reacting quickly to change has been the key over the last 2 years and we are now looking to the future to ensure our community can still support us through whichever method they choose, be it a lottery member, a customer in our Cafe or shops, make a donation or fundraise in a way they are able to do so, we are extremely grateful and dependant on their ongoing support.

Lottery income has reduced by £20K when compared to last year. Recruitment to lottery membership via our door to door and in-store canvassers had to remain paused due to the national and local restrictions because of the pandemic, this has contributed to a reduction in lottery members. Canvassing resumed towards the end of the financial year 2021/22 and next year's budget aims to bring lottery members back up to where they were prior to Covid-19 by the end of March 2023.

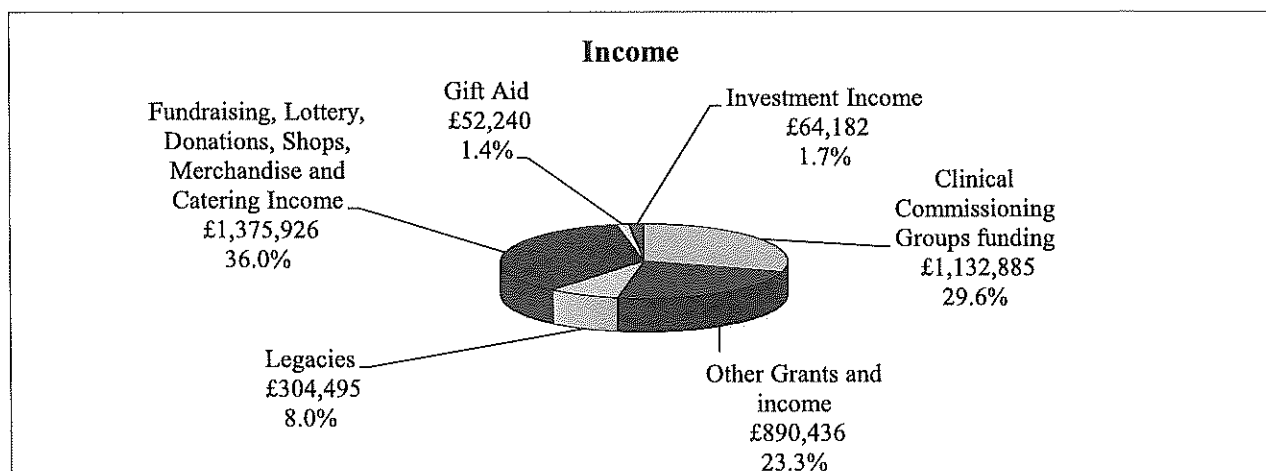
On average, 75% of the money raised by the weekly lottery is profit, that's over twice the amount of some other lotteries, and means that this year almost £280K has gone directly to helping to care for patients with life limiting illnesses. Of the remaining 25%, this is made up of draw prizes in the main, also regulation and promotion, investing in our lottery to ensure we have a sustainable income for years to come.

Our thanks go to our thousands of loyal, regular lottery players in our communities, as all of these profits help us to provide hospice services.

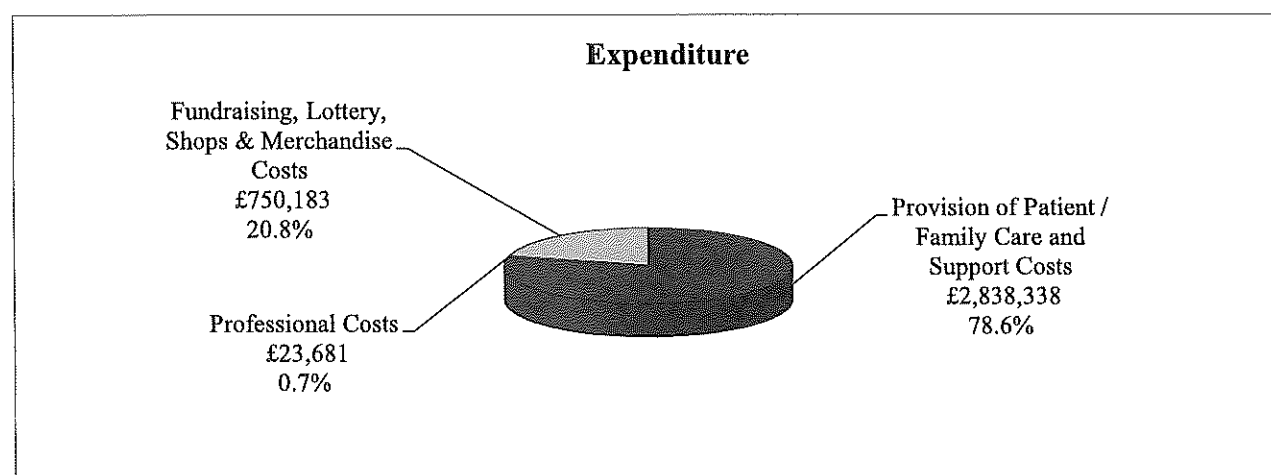
**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Financial review (continued)**

Our sincere thanks go out to everyone who has contributed their time, treasure and talents to East Lancashire Hospice in the past, also to those that continue to support the hospice now and in the future.



Income for the financial year ended 31 March 2022 totalled £3,820,164 and the graph above shows percentages for each income stream.



Total expenditure for the year ended 31 March 2022 totalled £3,612,202, and the graph above provides details of the major breakdowns.

Total expenditure for this financial year increased by £168,692, almost 80% of this year's costs related to charitable activities providing specialist and supportive care to patients and their families; the remaining was mainly used to generate income through fundraising and marketing. We envisage that costs to maintain quality services will continue to increase in future years. In order for us to ensure that we deliver high standards of care and support to our patients and their families, one of the main strategic objectives over the coming years is to concentrate on new or alternative ways of generating income through refocusing on and investing in fundraising, the hospice lottery and our retail outlets.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Plans for Future Periods***

We continue to work to implement our strategic aims, but obviously the changes we needed to make in order for us to effectively deal with the pandemic have quite rightly taken priority. However we are optimistic that along with the challenges that the pandemic has brought us there have been opportunities to learn to work in different ways. We have formed greater sustainable relationships with other providers and with the community both in the way we provide services and how we fundraise and this will feed into our strategy as we begin to refocus on our objectives for the coming year.

Over the last year we have been working hard to come out of Covid-19 and be responsive to the changes it has made to the ways in which we deliver services; reach out into the community more; support our patients, their families, our staff and volunteers.

Now, we need to start to develop the next part of our strategy, taking account of structural changes at a local and regional level i.e. the establishment of NHS Lancashire and South Cumbria Integrated Care Board (which has replaced the Clinical Commissioning Groups) and the development of Place Based Partnerships – the new structures put the patient at the centre to provide an integrated and seamless experience which is very much the ethos of the East Lancashire Hospice. We will work hard (though there will be some uncertainty) to make sure the new system and this change is effective for all our patients.

Our vision continues to be to help everyone who comes into contact with the hospice to make the most of life. We do this by committing to care, listen, respect and work together to support people to live well until they die and support those affected by death. Our vision has not changed although due to the impact of Covid-19 the way we deliver services in the future potentially will.

This past year has shown again what an incredible team we have. The team is creative and insightful – generating ideas on opportunities that lie ahead and we will incorporate that into our planning. We will continue to challenge ourselves both as people and as an organisation to ensure we are flexible and adaptable playing a key part in keeping our communities safe, cared for and supported in the best way we can.

Our overarching aim remains the same to reach and support more people within our community whilst ensuring we remain financially viable both now and in the future.

Our priorities for the year ahead will be:-

- Maintain East Lancashire Hospice's rating of Outstanding by safely delivering quality care to patients families and carers an appropriate range and quality of integrated services, which are structured to provide accessible responsive and achievable holistic centred care.
- We will do this by building on our strategies for capturing the very creative, day to day excellence in practice and provision that our patients experience and that differentiate outstanding from good.
- Continue to work in partnership and collaboration with other providers to achieve a shared vision to enable the best outcomes for patients and their families within our communities focusing on providing the right care in the right place at the right time.
- We will work closely with the Lancashire and South Cumbria Hospices Together Partnership (LSCHT) to achieve greater consistency in hospice provision across our region and be better able to articulate/evidence where difference is required. This collaborative is another example of reacting to Covid-19 and realising that sharing best practice and working together was more powerful than individual hospices operating in isolation. We started meeting weekly when lockdown first hit but now meet monthly.
- We will implement the IT strategy to ensure we are fit for purpose, maximising efficiency in our systems and enabling us to quickly evidence effectiveness are fit for purpose:
  - Complete transition to electronic patient records
  - Explore benefits to the hospice of tools available to maximise understanding of workforce planning and ranges in demand and dependency in clinical departments



**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Plans for Future Periods (continued)***

- Deliver care and support through an integrated staff and volunteer workforce of empowered people which includes investing in our staff and offering quality and flexible opportunities for volunteers.
- Review education and training provision for staff and volunteers and rebuild opportunities for the provision of education and support for external partners.
- Introduce and embed the new role of Head of Wellbeing, Support and Development identifying organisational priorities and ensuring understanding of role across departments.
- Retain and build upon maintaining a visible profile of being well known, respected and valued whilst continuing to develop new and sustainable relationships with key partners.
- Develop and/or re-design existing community and support services to ensure we are fit for purpose working with key stakeholders to ensure appropriateness of any proposed new service developments. In light of the structural external changes (the introduction of Integrated Care Boards and Place Based Partnerships) there has been some delays but we have already held some scoping meetings internally and allocated a CNS to develop the concept of community beds, but there have also been delays to this work because of Covid-19 pressures and planned/unplanned absence.
- There is a drive for some consistency in provision (e.g. Hospice at Home) across providers / the footprint but if Blackburn with Darwen becomes a separate 'Place' we may see a return to the days where very different things were required by different authorities. We will flex accordingly but support equality of access & provision.
- Continue to be financially robust and prudent in all that we do to ensure that we use all our resources as efficiently as possible to achieve the greatest impact for patients and their families.
- Continue with our programme of refurbishment to ensure our patients have seamless care in a comfortable and therapeutic environment.
- Implement sustainable income generation initiatives to work within our changed environment/ community.

***Principal Risks and Uncertainties***

The Board of Trustees acknowledge their responsibility in identifying major risks to which the hospice may be exposed and there is a formal process of risk management throughout the organisation. The Trustees have examined the major strategic and business risks that the charity faces, and confirm systems are established to enable regular reports to be produced so that the reasonable steps can be taken to minimise risks.

**Finance:**

Good co-operation continues to exist with our two Clinical Commissioning Groups who support the grant funding of the hospice. The most significant risk to financial sustainability of the hospice is the potential for a rapid deterioration in income, followed immediately with a corresponding reduction in income. Therefore our reserves are planned to cover the maximum foreseeable reduction in income over a period of 24 months.

**Income Generation:**

We are always conscious of minimising the costs of our fundraising and retailing activities to ensure we are making the best use of the generous donations we receive. We are conscious of the impact Covid-19 has had and continues to have on household income and in the future we know will be even more pressures on the donor pound. We work to ensure that we can report back to our donors on the results and impacts that their donations have on patients and their families.

All our income generation is managed internally by our Income Generation team who are responsible for all volunteers who support our fundraising and retailing.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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***Principal Risks and Uncertainties (continued)***

We continue to work hard to ensure our supporters data is secure as well as developing our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We are also aware that we have increasing competition as more and more charities compete for the same pots of money.

Retail sales within the high street shops remain uncertain and this will be closely monitored as our shops re-open.

Data Protection and Confidentiality: these are vital to our organisation and we are fully aware of the reputational risks posed by 'social media' such as 'Facebook' and 'Twitter'.

**Approach to Fundraising**

We are committed to practicing the highest standards and we take care to ensure all our fundraising activities reflect the hospice values. We are registered with the Fundraising Regulator and as such monitor ourselves against their recognised standards ensuring that all our fundraising activity complies with the Fundraising Regulators Code of Fundraising Standards.

**How we work with and oversee any commercial participators/professional fundraisers**

This is fully covered within our policies which are supported by a standard operating procedure which includes a formal agreement that is monitored within our Governance Framework.

**Conformation to Regulations Standards**

Compliance is managed by our Fundraising and Lottery Manager, and is governed through our Risk Management Governance Committee. This ensures that fundraising activity is fully compliant with legislation and regulations and we have internal policies which reflect these.

We have a risk management policy so as to minimise or as far as it is reasonably practicable eliminate any risks to patients, staff or volunteers, supporters and members of the public in relation to our fundraising activity.

Staff identify and assess risks and put necessary preventable controls in place.

**Fundraising Complaints**

No fundraising complaints have been received.

**How We Protect Vulnerable People and Members of the Public**

All our supporters are treated as individuals and we have policies and systems in place for ensuring that vulnerable people are recognised and treated accordingly.

- We adhere to the Fundraising Regulator's Code of Practice and the Fundraising Promise
- We promptly action any requests for removal from our mailing list and databases
- We never sell or pass on the data of any of our donors and supporters to any third parties under any circumstances
- We only work with professional fundraising agencies who can demonstrate a track record of best practice in the sector and compliance with the Fundraising Regulator

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Statement of Trustees' responsibilities**

The Trustees (who are also directors of The East Lancashire Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

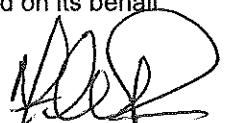
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

A resolution proposing that MHA Moore and Smalley be re-appointed as auditor of the charity will be put to the Annual General Meeting.

This report, which incorporates the Strategic Report, was approved by the board of Trustees on 18/10/2022 and signed on its behalf

  
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**Mr F G Parr – Chairman**

**THE EAST LANCASHIRE HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF THE EAST LANCASHIRE HOSPICE**

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**Opinion**

We have audited the financial statements of The East Lancashire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022, which comprise Group Statement of Financial Activities, Company Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022, and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**THE EAST LANCASHIRE HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF THE EAST LANCASHIRE HOSPICE (CONTINUED)**

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**Other information (continued)**

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Respective responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**THE EAST LANCASHIRE HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF THE EAST LANCASHIRE HOSPICE (CONTINUED)**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that employment law, health and safety legislation, Care Quality Commission (CQC) compliance, and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of report**

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Christine Wilson (Senior Statutory Auditor)**  
**For and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Date: 06/11/2022  
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# THE EAST LANCASHIRE HOSPICE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
<b>Income from</b>					
<b><i>Donations and legacies:</i></b>					
Donations and gifts		301,205	-	301,205	309,886
Legacies		304,495	-	304,495	187,317
<b><i>Charitable activities:</i></b>					
Clinical Commissioning Groups		1,132,885	-	1,132,885	1,120,662
Other grants		490,877	750	491,627	510,321
Catering and other income		79,599	-	79,599	42,895
<b><i>Other trading activities:</i></b>					
Goods for resale		18,738	-	18,738	12,938
Fundraising events		391,153	-	391,153	314,314
Lottery		409,431	-	409,431	429,292
Shop		228,040	-	228,040	33,911
<b><i>Investments</i></b>		64,182	-	64,182	63,980
<b><i>Other income</i></b>		59,731	339,078	398,809	1,029,436
<b>Total income</b>	2	3,480,336	339,828	3,820,164	4,054,952
<b>Expenditure on</b>					
Raising funds	3	750,183	-	750,183	647,488
Charitable activities	5	2,517,807	344,212	2,862,019	2,796,022
<b>Total expenditure</b>		3,267,990	344,212	3,612,202	3,443,510
<b>Net income before other gains and losses</b>		212,346	(4,384)	207,962	611,442
Gain/(loss) on investments		876,646	-	876,646	1,833,804
<b>Net income for the year</b>	7	1,088,992	(4,384)	1,084,608	2,445,246
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		1,088,992	(4,384)	1,084,608	2,445,246
<b>Reconciliation of funds:</b>					
Total funds brought forward		15,122,718	5,957	15,128,675	12,683,429
<b>Total funds carried forward</b>		16,211,710	1,573	16,213,283	15,128,675

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year net of unrealised profits and losses on investments and was £207,962 (2021: £611,442).

**THE EAST LANCASHIRE HOSPICE**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**

		Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	12	1,611,114	-	1,611,114	1,645,551
Investments	13	12,057,567	-	12,057,567	9,649,353
		<u>13,668,681</u>	<u>-</u>	<u>13,668,681</u>	<u>11,294,904</u>
<b>Current assets</b>					
Stock		13,409	-	13,409	4,186
Debtors	14	405,924	-	405,924	468,158
Cash on bank deposit		2,309,078	-	2,309,078	3,946,043
Cash at bank and in hand		643,060	1,573	644,633	199,862
		<u>3,371,471</u>	<u>1,573</u>	<u>3,373,044</u>	<u>4,618,249</u>
<b>Creditors:</b> amounts falling due within one year	15	(828,442)	-	(828,442)	(784,478)
<b>Net current assets</b>		<u>2,543,029</u>	<u>1,573</u>	<u>2,544,602</u>	<u>3,833,771</u>
<b>Net assets</b>		<u>16,211,710</u>	<u>1,573</u>	<u>16,213,283</u>	<u>15,128,675</u>
<b>Represented by:</b>					
Total funds	16	16,211,710	1,573	16,213,283	15,128,675

These financial statements were approved by the Trustees on 18th October 2022 and signed on their behalf by:

  
 Mr F G Parr - Chairman

  
 Mrs A R Pallister – Trustee



**THE EAST LANCASHIRE HOSPICE**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

		Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	12	1,576,346	-	1,576,346	1,645,551
Investments	13	12,057,667	-	12,057,667	9,649,453
		<u>13,634,013</u>	<u>-</u>	<u>13,634,013</u>	<u>11,295,004</u>
<b>Current assets</b>					
Stock		5,250	-	5,250	3,000
Debtors	14	455,129	-	455,129	485,255
Cash on bank deposit		2,309,078	-	2,309,078	3,946,043
Cash at bank and in hand		632,780	1,573	634,353	192,376
		<u>3,402,237</u>	<u>1,573</u>	<u>3,403,810</u>	<u>4,626,674</u>
<b>Creditors:</b> amounts falling due within one year	15	(796,510)	-	(796,510)	(755,407)
<b>Net current assets</b>		<u>2,605,727</u>	<u>1,573</u>	<u>2,607,300</u>	<u>3,871,267</u>
<b>Net assets</b>		<u>16,239,740</u>	<u>1,573</u>	<u>16,241,313</u>	<u>15,166,271</u>
<b>Represented by:</b>					
Total funds		<u>16,239,740</u>	<u>1,573</u>	<u>16,241,313</u>	<u>15,166,271</u>

These financial statements were approved by the Trustees on 18th October 2022 and signed on their behalf by:

  
 .....  
 Mr F G Parr - Chairman

  
 .....  
 Mrs A R Pallister – Trustee

Company Registration Number: 03755216

**THE EAST LANCASHIRE HOSPICE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	2022	2021
	£	£
Net income for the year	1,084,608	2,445,246
<i>Adjustments for:</i>		
Investment income	(64,182)	(63,980)
Gain on investments	(876,646)	(1,833,804)
Depreciation	120,767	118,670
Profit on disposal of fixed assets	-	(4,350)
Increase in stock	(9,223)	-
Decrease in debtors	62,234	222,024
Increase in creditors	43,964	18,500
<b>Net cash provided by operating activities</b>	<b>361,522</b>	<b>902,306</b>
<b>Cash flows from investing activities:</b>		
Investment income	64,182	63,980
Purchase of tangible fixed assets	(86,330)	(13,544)
Receipts from sales of fixed assets	-	4,350
Purchase of investments	(1,945,656)	(521,528)
Proceeds from sale of investments	500,097	254,364
Movement in cash held as investments	(86,009)	231,551
<b>Net cash (used in) / provided by investing activities</b>	<b>(1,553,716)</b>	<b>19,173</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(1,192,194)</b>	<b>921,479</b>
Cash and cash equivalents at the beginning of the year	4,145,905	3,224,426
<b>Cash and cash equivalents at the end of the year</b>	<b>2,953,711</b>	<b>4,145,905</b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	2,090	1,149
Cash at bank	2,951,621	4,144,756
	<b>2,953,711</b>	<b>4,145,905</b>

Total group cash and cash equivalents includes a total of £1,573 (2021: £1,573) relating to restricted funds.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The East Lancashire Hospice meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The parent company's surplus for the year for Companies Act purposes was £1,075,042 (2021: £2,487,889).

**Going concern**

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The ongoing impact of Covid-19 is not considered by the trustees to be likely to create material uncertainties in relation to going concern. The trustees and management have put plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**Fund accounting**

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. Restricted funds are those to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies (continued)**

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of an event or provision of other specific provision of other specified service it is deferred until the criteria for income recognition are met.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes where applicable. Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Lottery income is accounted for when received, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies (continued)**

**Expenditure (continued)**

Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

**Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

- Short leasehold building improvements      - over the period of the lease
- Fixtures, fittings and equipment              - over 5 years

**Investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Stock**

Stock is included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed, on the basis that it is considered impractical to measure the fair value of goods donated for resale, and the costs of valuation outweigh the benefit to users of the accounts and the charity of this information.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**1 Accounting policies (continued)**

**Operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the term of the lease.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA. The company also contributes to a multi-employer defined benefit scheme. As the proportion of the fund attributable to The East Lancashire Hospice cannot be calculated this scheme has been treated as if it was a defined contribution scheme.

**Taxation**

The company is a registered charity and therefore exempt from taxation.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2 Income**

	Unrestricted funds £	Restricted funds £	2022 £
<b>Donations and legacies:</b>			
Donations and gifts	301,205	-	301,205
Legacies	304,495	-	304,495
<b>Charitable activities:</b>			
Clinical Commissioning Groups	1,132,885	-	1,132,885
Other grants	490,877	750	491,627
Catering and other income	79,599	-	79,599
<b>Other trading activities:</b>			
Goods for resale	18,738	-	18,738
Fundraising events	391,153	-	391,153
Lottery	409,431	-	409,431
Shop	228,040	-	228,040
<b>Investments</b>	64,182	-	64,182
<b>Other income (see below)</b>	59,731	339,078	398,809
	<b>3,480,336</b>	<b>339,828</b>	<b>3,820,164</b>

Other unrestricted income comprises £4,680 (2021: £228,439) Coronavirus Job Retention Scheme ('CJRS') income, £33,662 (2021: £89,580) insurance proceeds due to business interruption, and £21,389 (2021: £18,004) of retail and other grants.

Other restricted income comprises £339,078 (2021: £693,413) of NHSE funding.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2 Income (continued)**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2021 £</b>
<b>Donations and legacies:</b>			
Donations and gifts	309,886	-	309,886
Legacies	187,317	-	187,317
<b>Charitable activities:</b>			
Clinical Commissioning Groups	1,120,662	-	1,120,662
Other grants	509,212	1,109	510,321
Catering and other income	42,895	-	42,895
<b>Other trading activities:</b>			
Goods for resale	12,938	-	12,938
Fundraising events	314,314	-	314,314
Lottery	429,292	-	429,292
Shop	33,911	-	33,911
<b>Investments</b>	63,980	-	63,980
<b>Other income (see below)</b>	<u>336,023</u>	<u>693,413</u>	<u>1,029,436</u>
	<u>3,360,430</u>	<u>694,522</u>	<u>4,054,952</u>

**3 Expenditure**

	<b>Direct costs £</b>	<b>Support costs (note 4) £</b>	<b>2022 £</b>
<b>Expenditure on raising funds:</b>			
Goods for resale	5,555	1,257	6,812
Fundraising events	291,377	30,164	321,541
Lottery	96,378	17,596	113,974
Shop	278,205	-	278,205
Investment management costs	<u>29,651</u>	<u>-</u>	<u>29,651</u>
	<u>701,166</u>	<u>49,017</u>	<u>750,183</u>
<b>Expenditure on charitable activities:</b>			
Hospice (note 5)	<u>2,408,292</u>	<u>453,727</u>	<u>2,862,019</u>
	<u>3,109,458</u>	<u>502,744</u>	<u>3,612,202</u>



**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**3 Expenditure (continued)**

	<b>Direct costs</b>	<b>Support costs (note 4)</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expenditure on raising funds:</b>			
Goods for resale	3,873	1,204	5,077
Fundraising events	219,683	28,907	248,590
Lottery	99,592	16,862	116,454
Shop	251,679	-	251,679
Investment management costs	25,688	-	25,688
	<u>600,515</u>	<u>46,973</u>	<u>647,488</u>
<b>Expenditure on charitable activities:</b>			
Hospice (note 5)	<u>2,361,215</u>	<u>434,807</u>	<u>2,796,022</u>
	<u>2,961,730</u>	<u>481,780</u>	<u>3,443,510</u>

All expenditure on raising funds was unrestricted in the current and previous year.

**4 Support costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries	433,207	420,365
Motor and travel	70	222
Printing and stationery	11,431	9,474
Postage	14,398	7,092
Telephone	15,954	12,329
Computer support	24,999	24,486
Other staff costs	1,689	7,309
Sundry expenses	<u>996</u>	<u>503</u>
	<u>502,744</u>	<u>481,780</u>

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**5 Expenditure on charitable activities – Hospice**

	<b>Hospice and specialised palliative care services</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries	1,908,580	1,914,510
Training and recruitment	23,162	8,668
Property costs	94,135	86,185
Provision of care services	108,000	85,823
Repairs and maintenance	90,686	88,250
Motor and travel	9,832	9,879
Sundry	27,188	25,437
Depreciation	117,038	118,670
Irrecoverable VAT	6,493	4,878
Governance costs (note 6)	23,681	19,397
Support costs allocated	453,224	434,325
	<b>2,862,019</b>	<b>2,796,022</b>

Expenditure on charitable activities was £2,862,019 (2021: £2,796,022) of which £2,517,807 was unrestricted (2021: £2,044,286) and £344,212 was restricted (2021: £751,736).

**6 Governance costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit	8,650	7,225
Trustees' liability insurance	403	907
Legal and professional fees	14,125	10,783
Support costs allocated	503	482
	<b>23,681</b>	<b>19,397</b>

**7 Net income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<i>Stated after charging:</i>		
Depreciation	120,767	118,670
Operating leases	58,584	86,995
Audit fee – charity and consolidated accounts	6,650	5,550
Audit fee – subsidiary	2,000	1,675

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel**

	2022 £	2021 £
<b>Payroll costs were</b>		
Wages and salaries	2,286,981	2,221,772
Social security costs	199,730	189,764
Pension costs	196,617	196,488
	<u>2,683,328</u>	<u>2,608,024</u>

The number of employees whose remuneration for the year exceeded £60,000 was:

	2022 £	2021 £
£90,000 to £99,999	1	2
£100,000 to £109,999	1	-

Of the employees whose remuneration exceeded £60,000, there are two employees (2021: two) accruing benefits under defined benefit pension schemes.

**8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel (continued)**

The Trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2021: £nil). Trustees made donations to the charity totalling £433 (2021: £465).

The key management personnel of the group comprise the key staff identified in the Trustees' Annual Report. The total employee benefits of the key management personnel of the group were £351,157 (2021: £344,476).

**9 Staff numbers**

The average monthly head count was 109 staff (2021: 97 staff), being 77 (2021: 67) care staff, 19 (2021: 17) fundraising staff, and 13 (2021: 13) administration staff.

**10 Related party transactions**

There were no related party transactions during the current or prior year, apart from any disclosed above relating to the Trustees.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**11 Pension commitments**

The charity participates in a multi-employer defined benefit scheme, operated through the National Health Service. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the statement of financial activities as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to The East Lancashire Hospice. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme.

The charity also operates a stakeholder defined contribution scheme.

The total contributions made during the year represent contributions to the funds of £196,617 (2021: £196,488). At the year end the charity had outstanding contributions of £41,936 (2021: £26,782).

**12 Tangible fixed assets**

	Short Leasehold Building Improvements	Fixtures, Fittings, Equipment & Motor vehicles	Charity Total	Subsidiary Fixtures, Fittings, Equipment & Motor vehicles	Group Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2021	4,218,519	508,758	4,727,277	42,264	4,769,541
Additions	3,200	44,633	47,833	38,497	86,330
Disposals	-	-	-	-	-
<b>At 31 March 2022</b>	<b>4,221,719</b>	<b>553,391</b>	<b>4,775,110</b>	<b>80,761</b>	<b>4,855,871</b>
<b>Depreciation</b>					
At 1 April 2021	2,662,291	419,435	3,081,726	42,264	3,123,990
Charge for the year	70,254	46,784	117,038	3,729	120,767
Eliminated on disposals	-	-	-	-	-
<b>At 31 March 2022</b>	<b>2,732,545</b>	<b>466,219</b>	<b>3,198,764</b>	<b>45,993</b>	<b>3,244,757</b>
<b>Net book value</b>					
<b>At 31 March 2022</b>	<b>1,489,174</b>	<b>87,172</b>	<b>1,576,346</b>	<b>34,768</b>	<b>1,611,114</b>
At 31 March 2021	1,556,228	89,323	1,645,551	-	1,645,551

Total group fixed assets include a total of £nil (2021: £4,384) relating to restricted funds.

At the year end there were capital commitments of £30,000 (2021: £nil).

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**13 Fixed asset investments**

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Charity 2022 £</b>	<b>2021 £</b>
Investments in subsidiary companies	-	-	100	100
Other investments	<u>12,057,567</u>	<u>9,649,353</u>	<u>12,057,567</u>	<u>9,649,353</u>
	<u>12,057,567</u>	<u>9,649,353</u>	<u>12,057,667</u>	<u>9,649,453</u>

All fixed asset investments relate to unrestricted funds in both 2022 and 2021.

**Investments in subsidiary companies**

The charity owns the whole of the issued share capital of The East Lancashire Hospice Shops Limited (company number 04660703), which is incorporated in England and Wales. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through several shops. All activities have been consolidated on a line by line basis.

In the opinion of the Trustees, the investment in the charity's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet of £100. A summary of the results for the trading company as show below:

	<b>2022 £</b>	<b>2021 £</b>
Turnover - shop sales	228,040	33,911
Cost of sales	<u>(24,757)</u>	<u>(5,077)</u>
<b>Gross profit</b>	<b>203,283</b>	<b>28,834</b>
Administrative expenses	(253,448)	(246,602)
Other operating income	<u>59,731</u>	<u>175,125</u>
<b>Profit / (loss) for the year</b>	<b>9,566</b>	<b>(42,643)</b>
Amounts gift aided to charity	-	-
<b>Retained profit / (loss) for the year</b>	<b>9,566</b>	<b>(42,643)</b>
<b>Retained earnings brought forward</b>	<b>(37,596)</b>	<b>5,047</b>
<b>Retained earnings carried forward</b>	<b>(28,030)</b>	<b>(37,596)</b>
The aggregate of the assets, liabilities and funds of The East Lancashire Hospice Shops Limited was:		
Fixed assets	34,768	-
Current assets	87,447	121,462
Current liabilities	<u>(150,145)</u>	<u>(158,958)</u>
<b>Funds</b>	<b>(27,930)</b>	<b>(37,496)</b>

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**13 Fixed asset investments (continued)**

**Other investments**

<b>Group and charity</b>	<b>2022 £</b>	<b>2021 £</b>
<i>Market value</i>		
As at 1 April 2021	9,649,353	7,779,936
Additions	1,945,656	521,528
Disposals	(500,097)	(254,364)
Movement in cash deposits held as investments	86,009	(231,551)
Change in market value	876,646	1,833,804
<b>As at 31 March 2022</b>	<b>12,057,567</b>	<b>9,649,353</b>

Listed investments are represented by:

	<b>Group and Charity</b>	
	<b>2022 £</b>	<b>2021 £</b>
Fixed interest	647,611	765,648
Equities	1,740,805	1,864,131
Alternatives	548,663	324,251
Property	115,720	79,200
Investment trust and unit trust	8,830,491	6,527,855
Cash	174,277	88,268
	<b>12,057,567</b>	<b>9,649,353</b>

**14 Debtors**

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Charity 2022 £</b>	<b>2021 £</b>
Trade debtors	70,424	43,645	69,823	38,424
Prepayments and accrued income	284,025	313,616	221,429	208,860
Amounts owed by group undertakings	-	-	118,213	129,887
VAT recoverable	51,475	110,897	45,664	108,084
	<b>405,924</b>	<b>468,158</b>	<b>455,129</b>	<b>485,255</b>

All debtors relate to unrestricted funds in both 2022 and 2021.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15 Creditors: amounts falling due within one year**

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Charity 2022 £</b>	<b>2021 £</b>
Lottery payments in advance	<b>47,793</b>	45,899	<b>47,793</b>	45,899
Accruals and deferred income	<b>632,060</b>	611,742	<b>627,293</b>	592,531
Trade creditors	<b>101,758</b>	75,082	<b>74,593</b>	65,222
Other taxes and social security	<b>46,831</b>	51,755	<b>46,831</b>	51,755
	<b>828,442</b>	784,478	<b>796,510</b>	755,407

All creditors relate to unrestricted funds in both 2022 and 2021.

**16 Funds**

**Restricted funds**

	<b>Brought forward at 31 March 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Carried forward at 31 March 2022 £</b>
Day Care Unit Building	4,384	-	(4,384)	-	-
Support & Wellbeing	464	-	-	-	464
NHSE Funding	-	339,078	(339,078)	-	-
Co-op Community Fund	1,109	-	-	-	1,109
Yorkshire Building Society Charitable Foundation	-	750	(750)	-	-
	<b>5,957</b>	<b>339,828</b>	<b>(344,212)</b>	<b>-</b>	<b>1,573</b>

**Unrestricted funds**

	<b>Brought forward at 31 March 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Carried forward at 31 March 2022 £</b>
Unrestricted fund	15,160,314	3,192,565	(2,989,785)	876,646	16,239,740
Non-charitable trading	(37,596)	287,771	(278,205)	-	(28,030)
	<b>15,122,718</b>	<b>3,480,336</b>	<b>(3,267,990)</b>	<b>876,646</b>	<b>16,211,710</b>

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**16 Funds – prior year**

***Restricted funds***

	<b><i>Brought forward at 31 March 2020</i></b>	<b><i>Income</i></b>	<b><i>Expenditure</i></b>	<b><i>Gains, losses and transfers</i></b>	<b><i>Carried forward at 31 March 2021</i></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Day Care Unit Building</i>	51,393	-	(47,009)	-	4,384
<i>Support &amp; Wellbeing</i>	464	-	-	-	464
<i>ISSA Foundation</i>	11,314	-	(11,314)	-	-
<i>NHSE Funding</i>	-	693,413	(693,413)	-	-
<i>Co-op Community Fund</i>	-	1,109	-	-	1,109
	<b>63,171</b>	<b>694,522</b>	<b>(751,736)</b>	<b>-</b>	<b>5,957</b>

***Unrestricted funds***

	<b><i>Brought forward at 31 March 2020</i></b>	<b><i>Income</i></b>	<b><i>Expenditure</i></b>	<b><i>Gains, losses and transfers</i></b>	<b><i>Carried forward at 31 March 2021</i></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Unrestricted fund</i>	12,615,211	3,151,394	(2,440,095)	1,833,804	15,160,314
<i>Non-charitable trading</i>	5,047	209,036	(251,679)	-	(37,596)
	<b>12,620,258</b>	<b>3,360,430</b>	<b>(2,691,774)</b>	<b>1,833,804</b>	<b>15,122,718</b>



**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**16 Funds (continued)**

**Purpose of the restricted funds:**

The Day Care Unit building fund was for the building of the Day Care Unit and largely relates to grants from the Community Fund (National Lottery Charities Board) towards the capital costs. The fund has been reduced by the related depreciation charge, and the balance is now £nil at 31 March 2022.

The Support & Wellbeing fund is a patient donation for patient activities. This remains unspent at 31 March 2022.

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation. This funding was fully spent in the year.

The Co-op Local Community Fund was funding received for the choir. This remains unspent at 31 March 2022.

The Yorkshire Building Society Charitable Foundation Fund was funding received for the purchase of a fogging machine. This was fully spent in the year.

**17 Operating lease commitments**

At 31 March 2022 the group had future minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	<b>32,167</b>	47,844
Amounts due between one and five years	<b>12,375</b>	38,875
Amounts due after five years	-	-
	<b>44,542</b>	86,719

